

KENTUCKY

TEACHERS' RETIREMENT SYSTEM

ACTIVE MEMBER
EDITION



July/August
2007

Members Elect Trustees to KTRS Board

The election for the two positions on the KTRS Board of Trustees, due to the expiring terms of Ronald L. Sanders and Ruth Ann Sweazy, was conducted during May 2007. Interim Commissioner of Education, Kevin M. Noland, certified the results of the election to the KTRS Board of Trustees.



RONALD L. SANDERS of Hodgenville, the incumbent, was re-elected to a four-year term as lay trustee. Mr. Sanders has

served as lay member on the Board of Trustees since December 2004. He is currently chair of the Nominating Committee, and is a member of the Investment Committee, Personnel Committee, and Administrative Appeals Committee.

Mr. Sanders is President and Chief Executive Officer of Magnolia Bank, Hodgenville, and is on the Board of Directors of



RUTH ANN SWEAZY of Taylorsville, the incumbent, was re-elected to a four-year term representing the interests of active members.

Ms. Sweazy has served on the Board of Trustees since July 2003. She is currently chair of the Insurance Committee, and is a member of the Nominating Committee, the Scholarship Committee, and the Administrative Appeals Committee.

Ms. Sweazy teaches kindergarten in the Spencer County School System, is a

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KTRS Board of Trustees Chair & Vice Chair Elected



DR. ZELLA F. WELLS, of Paintsville, was re-elected chair of the Board of Trustees for the 2007-

2008 fiscal year at the Board of Trustees meeting held June 18, 2007. Dr. Wells has represented active members on the Board since 2004 and was elected chair in 2006. She also served as the Board's vice-chair during fiscal year 2005-2006.



BARBARA G. STERRETT, of Lexington, was re-elected vice-chair for the 2007-2008 fiscal year. Ms. Sterrett

represented active members on the Board from 1990 until her retirement in 2003. In May 2005, she was elected to represent retired members, and was elected vice-chair in 2006.

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Magnolia Bancshares, Inc. He also serves on the Board of Directors of the Kentucky Title Center, LLC, Louisville.

Mr. Sanders' current term of office began July 1, 2007 and will end June 30, 2011.

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teacher representative on the Taylorsville Elementary Site-Based Decision Making Council, and is President of the Spencer County Education Foundation. She is vice-chair of the Kentucky Association for National Board Certified Teachers; a member of the Kentucky Education and Professional Standards Board Advisory Work Group for National Board Certified Teachers; is on the Board of Directors of the Kentucky Reading Association, and has co-authored articles published in education journals.

Ms. Sweazy's current term of office began July 1, 2007 and will end June 30, 2011.

Timely Reminders OF Deadlines for Purchasing 2006/07 Service Credit

Members who had unpaid contract days in the 2006/2007 fiscal year should contact KTRS about their eligibility to obtain full service and/or salary credit. The deadline for purchasing this type of credit is December 31, 2007.*

Members granted leaves of absence in 2006/2007 should contact KTRS about recovering this credit. The deadline for purchasing unpaid days covered by a leave in 2006/2007 is June 30, 2008.

**Appropriate forms can be obtained at www.ktrs.ky.gov or from your employer.*

Number of Retirements Lowest in Fourteen Years

The number of retirements declined this year, even as the number of members eligible to retire within the next year continues to climb. Retirements during June/July were the lowest recorded since 1993.

A number of factors contribute to this trend, including: a continued pattern following changes to the Plan in 2002 as directed by the Board of Trustees; mid-career and pre-retirement workshops that provide members with information that enables them to make better informed decisions regarding retirement options; and the uncertainty of funding for the medical insurance program.



Service Credit for Military Duty

HB 225 was passed into law during the 2007 Legislative Session providing that certified employees in the local school districts may receive retirement credit for their active military service under certain conditions. Certified employees who are called into active service and who immediately return to the classroom on or after January 1, 2003 upon discharge are eligible for this benefit. HB 225 requires the State of Kentucky to pick up the member's contributions. This would enable KTRS local school district members to receive retirement credit for their military service at no charge to them. If you have experienced this qualifying event, please secure your DD214 discharge form and contact KTRS for instructions.

Blue Ribbon Commission on Public Employees Retirement Systems

The Governor's 24-member Blue Ribbon Commission, created to study KTRS and Kentucky Retirement Systems (KRS), held its second meeting on May 14, 2007. Gary Harbin, Executive Secretary of KTRS, and Bill Hanes, Executive Director of KRS, made presentations on the two respective retirement systems.

At a third meeting held June 19, the law firm of Morrison & Foerster, LLP was announced as the legal counsel selected to assist the Commission. Gabriel, Roeder, Smith was recently announced as the actuarial firm chosen to assist the Commission.

The next meeting of the Blue Ribbon Commission is currently scheduled for August 28, 2007. The three working groups: Financing Strategy, Pensions, and Health Insurance will also continue to hold meetings throughout this time. As a reminder, all meetings are open to the public and are held in the Capitol Annex in Frankfort. You may visit the Commission Website at <http://finance.ky.gov/ourcabinet/attached+agencies/retcom.htm>, or contact KTRS for further information.

Investment Returns for Your Retirement System

The Kentucky Teachers' Retirement System operates on an actuarially sound basis with more than \$15 billion in assets invested in a safe, prudent and conservative manner, with goals that are long-term in nature.

KTRS assets are diversified among different asset classes and various investment styles. More than 96% of the System's fixed income investments are rated at least "A" in terms of credit quality. The high quality of investments indicates that the System is not assuming unusual investment risks.

The return on stocks for the year ended June 30, 2007 is 20.5%. The long-term return on stocks over the past twenty years is 11.2%.

The return on all KTRS investments for the year ended June 30, 2007 is 15.3%. The long-term return on all KTRS investments over the past twenty years is 9.1%.

The KTRS actuary assumes a long-term rate of return of 7.5% on all KTRS investments.

The primary concern of the KTRS Board of Trustees is the preservation of KTRS assets with stable returns in order to provide retirement benefits earned by KTRS members. Investment returns such as those noted above ensure that this goal is attained.

Mid-Career Planning Workshops

Registration 9:00 A.M.

Workshop 9:05 A.M. (Local Time)

September 10, 2007

Holiday Inn University Plaza
Meeting Room 2
1021 Wilkinson Trace
Bowling Green, KY

September 17, 2007

Pine Mountain SRP
Azalea Room
1050 State Park Road
Pineville, KY

September 24, 2007

Carter Caves SRP
Olive Hill Room
I-64, Exit 161
344 Caveland Road
Olive Hill, KY

Please visit www.ktrs.ky.gov for all workshop & seminar REGISTRATION.

Pre-Retirement Seminars

Registration 9:00 – 9:15 A.M.

Seminar 9:15 A.M. – 1:00 P.M. (Local Time)

September 22, 2007

Jenny Wiley SRP
Wilkinson/Stumbo
Conference Center or Ray Harm Room
75 Theatre Court
Prestonsburg, KY

October 6, 2007

Bluegrass Comm & Tech College
BCTC Auditorium
Oswald BLDG, 215 Cooper Dr.
Lexington, KY

November 10, 2007

KTRS
477 Versailles Rd.
Next door to the main building
on the ground floor
Frankfort, KY

December 1, 2007

Cumberland Falls SRP
7351 Highway 90
Corbin, KY 40701

Please visit www.ktrs.ky.gov for all workshop & seminar REGISTRATION.

Please Review Your Annual Statement

The Kentucky Teachers' Retirement System annual statements for fiscal year ending June 30, 2007, will be mailed in early October 2007. The accuracy of the information contained in this statement is important to your retirement and serves as the basis for preparing an estimate of your retirement benefits. Your employer furnished the salary and service credit reflected on your statement. To assist members in maintaining accurate retirement accounts, KTRS will perform service credit audits on member accounts that

will be eligible to retire in the next two years. You can help by carefully reviewing your statement to assure its accuracy. Please pay particular attention to the total service credit ending balance at June 30, 2007. Members are entitled to receive a full year of service credit if they have no more than five days without pay during a year. If you think your account may have an error, please contact your employer. Your employer will then notify KTRS of errors and/or omissions that need to be corrected.

Get to Know Your Retirement System with a KTRS Orientation

"If I had only known that when I first started teaching." is a common comment after a KTRS Orientation. Knowing this valuable information on the front end of one's career eliminates regrets when a member is nearing retirement.

Be informed about your retirement system! Ask your school or district office to contact KTRS at 800-618-1687, for more information on a KTRS Orientation presentation. (*see www.ktrs.ky.gov for more details*)

Keep Your Address Current



All KTRS members are reminded that when they change addresses they should notify KTRS in writing in order to continue to receive their KTRS mail. Newsletters, annual statements, ballots, and special mailings can only be mailed to members who maintain valid addresses with KTRS.

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TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY
479 Versailles Road
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JULY/AUG 2007

